

UNITED REALTY - ISSUE TWO

# Property News

Ideas to help you when you're buying, selling or renting

# RECORD: \$4.51M



**Agency's Experience and Database Key to Record Price in Rossmore**

## IN THIS ISSUE OF PROPERTY NEWS

- Database Marketing a Powerful Tool
- Auction Sets Record Price
- Tips for the New Landlord



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United Acreage & Property Marketing  
United Residential & Prestige

Two Divisions...Two Offices...One Great Team!

**Acreage, Residential, Prestige & Development Property Sales & Rental Specialists**

## Message from the Principal

Dear readers,

If you're selling or leasing a property with a swimming pool, please be aware that there are now new laws in NSW.

For information regarding your obligations, don't hesitate to contact us.

There is also a new Tax Regime from the 1st of July (which may also affect Contracts of Sale entered into before this date) where vendors selling for over \$2,000,000 must apply for a Clearance Certificate to avoid forfeiting 10% of their sale price to the Australian Taxation Office.

The scheme is to stop foreign residents evading payment of 10% tax on any profits earned from the sale of a taxable Australian property.

If you need advice regarding this or any other Real Estate matters, please call our team today.

Kind Regards,



Edwin Borg

Managing Director, Licensed Real Estate Agent, Stock and Station Agent, Sales and Marketing Specialist and Justice of the Peace



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# Does your Agent have the contacts?

## In this report, we examine several points you need to consider to see if your Agent has an active database of potential buyers

**Sometimes homes sell swiftly on the basis of their potential and other times they are snapped up because of their prime position.**

But how are buyers found when a property has only been on the market for a few hours?

The secret to this phenomenon is database marketing. Agents have been using this method to achieve outstanding selling results for countless sellers in the area.

In this exclusive report, we discuss the valuable use of an extensive client database featuring potential buyers who are currently seeking property.

When a buyer contacts the Agent or attends an Open Home Inspection, they can be added to the database for future reference.

From the moment the listing is received for a property, a simple referral back to the buyer database can match the property to several suitable buyers.

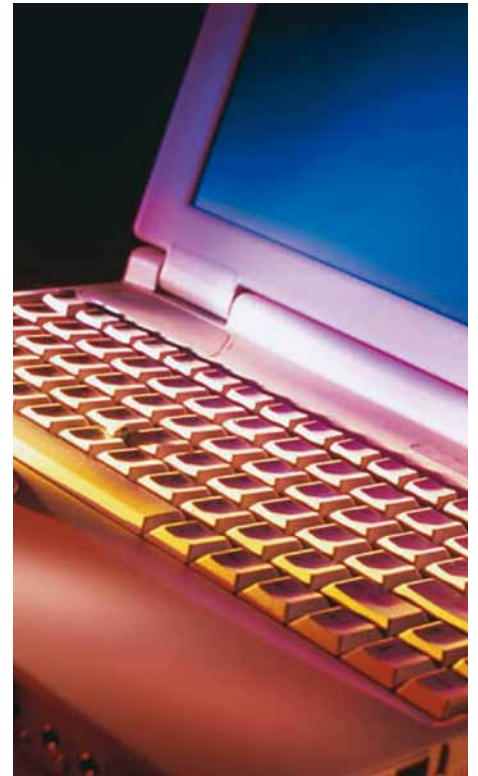
An Open Home or inspection exclusive to qualified buyers on the database can be organised straight away and the buyers can make offers even before the property is advertised.

A database is a valuable resource. An Agent with active buyers and investors on his or her books, and who understands the requirements of these people, can quickly match and introduce prospective purchasers to available properties.

With the average homeowner purchasing once every seven years, a satisfied customer, in most cases will return to use the services of the Agent that helped them successfully buy a property last time.

**Why is an Agent's ability to use a client database so important when you are looking to buy and sell property?**

The benefits of holding a large database are two fold - the Agent can



instigate inspections on behalf of the vendor in a very short time frame, often prior to advertising, helping to create competition and urgency.

It is so important that you appoint a selling Agent with an established network of clients. Having sold a property once, if they feel your property will meet the buyer's criteria, a sale can happen extremely quickly.

Successful Agents always try to match properties to purchasers before taking them to look at properties on their books. If they don't have a long list of clients the sales process can be extremely slow.

**Plus, it is good to have an Agent negotiating on your behalf who has already had the experience of selling to the buyer in the past!**



# 29 Inspections, 13 Bidders

**The team at United Acreage, Residential and Prestige have set a Rossmore price record with the Auction of 50 Devonshire Road, Rossmore.**

The \$4.51m sale was an astounding \$1,710,000 above the reserve price set by a registered valuer.

Thirteen bidders placed some 52 bids in what became a fierce competition.

The outstanding result speaks volumes of the continuing interest in the South-West Growth Centre due to the future Badgerys Creek Airport, proposed Sydney Science Park, the billions of dollars being spent by the government on road upgrades and excitement over the future South-West Rail Link.

But the result says as much about the Agency and Listing and Selling Agents Edwin Borg and Shane Brown. As specialists in acreage and development properties in the South-West Growth Centre for more than 30 years, United has developed a powerful database of buyers.

In addition, the 15 Sales Associates work regularly with their own client lists of



buyers and developers.

High levels of interest in the property were the result of extensive database marketing, including bulk emails and text messages sent to active buyers, and automatic property to person matching, that saw the Agents directly contact a list of targeted, qualified potential buyers.

In addition, a specially tailored Auction Marketing Programme ensured all other buyers in the market at the time were captured.

Indicative of the effectiveness of this comprehensive marketing, the property, which contained two, three bedroom homes, attracted 29 inspections and ultimately sold to an investor with the under-bidder being a local farmer.

United Acreage, Residential and Prestige's Principal, Edwin Borg, said that even though the market has plateaued slightly in the greater Sydney region, his team is still generating strong buyer interest.

*Serving Sydney South-West and Beyond Since 1986*

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# How to get it right as a new landlord

## Avoid these mistakes:

**To succeed as a property investor, you need to avoid certain pitfalls**

### **Mistakes made by some new landlords include:**

#### **Treating it as a hobby**

The best investors remain unemotional about their properties. If you drive past each week to check the roses, perhaps you need to consciously distance yourself from the property.

#### **Making friends with tenants**

It's not easy to serve an arrears notice on someone with whom you have a close relationship. The same applies to rent increases and bond claims.

#### **Thinking of it as home**

Good investment opportunities can be missed if investors judge properties by their own needs. For example, you may choose not to live in a home with no parking, but one close to public transport may be a great investment.

#### **Neglecting the property**

Improvements such as a coat of paint or necessary repairs can make a big difference to the value of your property and increase the rental yield substantially.

#### **Not having a depreciation schedule**

A depreciation schedule is the inventory of items that can be depreciated to claim a tax deduction. By investing a few hundred dollars to have a schedule prepared you can save thousands of dollars in tax.

#### **Not increasing rents regularly**

A small, regular rent increase is much better than a large, infrequent one that shocks the tenant so much they move out. As long as the increase is reasonable you should have no problems with your tenant.

#### **Forgetting the bigger picture**

In the excitement of buying your first property, you may forget the bigger picture of building a portfolio. Remember, the greater your equity and rental returns, generally the more you can borrow towards that portfolio.

#### **Paying down in the wrong order**

It can be tax effective to pay down non-tax deductible debts (such as home loans) before a tax deductible investment debt. Most investors have their investment



properties in interest only loans until they eliminate non-tax deductible debt.

#### **Using the wrong accountant**

Good accountants who understand property are worth their weight in gold. Such an accountant can advise you as to how to structure your property portfolio around your plans.

#### **Failing to use an experienced Property Manager**

For a couple of dollars a day a Property Manager can save you thousands by ensuring your vacancy rate is low and your property obtains the highest possible rent.

## Your Dedicated Rental Professionals



Our Property Management team is committed to protecting your investment and obtaining the best possible return.

We are also happy to provide advice on investment property options.

Call us today on 4774 8222 or 4657 2166.